



A subsidiary of Pinnacle West Capital Corporation

Palo Verde Nuclear
Generating Station

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102-06131-DCM/CJS
February 16, 2010

ATTN: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Dear Sirs:

**Subject: Palo Verde Nuclear Generating Station (PVNGS)
Units 1, 2, and 3
Docket Nos. STN 50-528, 50-529, and 50-530
Exemption Request for 10 CFR 73.55 Implementation - Update**

By letter number 102-06111, dated December 21, 2009, Arizona Public Service Company (APS) applied for an exemption from the schedule requirement of 10 CFR Part 73, *Physical Protection of Plants and Materials*, paragraph 73.55(a)(1) for PVNGS Units 1, 2, and 3, pursuant to 10 CFR 73.5. The new rule, 10 CFR 73.55, published March 27, 2009, effective May 26, 2009, with a full implementation date of March 31, 2010, requires licensees to protect, with high assurance, against radiological sabotage by designing and implementing comprehensive site security plans.

As a result of updated project information and clarifications obtained during a conference call with the NRC staff on February 2, 2010, APS hereby updates its exemption request. Specifically, APS continues to request an exemption until December 17, 2010, for constructing the Protected Area Security Extension (PASE) structure. In addition, APS withdraws the exemption request for an improved uninterruptible power supply (UPS), and instead requests that an exemption be provided until June 30, 2010, for the installation and testing of certain solar powered light standards. The Attachment to this letter provides a summary schedule for these activities.

The APS current and new physical protection program that will be implemented by March 31, 2010, continue to provide high assurance of public health and safety. Accordingly, the requested exemption is authorized by law and will not endanger life or property or the common defense and security in accordance with 10 CFR 73.5. APS requests the exemption by March 12, 2010, to support implementation in the PVNGS security program by March 31, 2010.

The site areas physically impacted by the modifications are relatively small, when compared to the overall PVNGS site. The modifications will be implemented in areas

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previously disturbed by site construction activities. This request is confined to implementation schedules for two provisions of 10 CFR 73.55 and, as such, is an administrative relief. Accordingly, the proposed exemption should result in a finding of no significant impact, pursuant to 10 CFR 51.32. Specifically, the proposed action, as revised, will not significantly increase the probability or consequences of accidents. No changes are being made in the types of effluents that may be released offsite. There is no significant increase in the amount of any effluent released offsite. There is no significant increase in occupational or public radiation exposure. Therefore, there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential non-radiological impacts, the proposed action, as revised, does not have a potential to affect any historic sites. It does not affect non-radiological plant effluents and has no other environmental impact. Therefore, there are no significant non-radiological environmental impacts associated with the proposed action.

Denial of the application for exemption would result in no change in current environmental impacts. Thus the environmental impacts of the proposed action and the alternative action (i.e., the "no-action" alternative) are similar.

The action does not involve the use of any different resources than those previously considered in the Final Environmental Statement for the Palo Verde Nuclear Generating Station, Units 1, 2, and 3, NUREG-0841, dated February 1982.

No commitments are being made by this letter. Should you need further information regarding this exemption request, please contact Russell A. Stroud, Licensing Section Leader, at (623) 393-5111.

Sincerely,

D.C. Morris

DCM/TNW/CJS/gat

Attachment: Summary Project Schedule

cc:

E. E. Collins Jr.	NRC Region IV Regional Administrator
J. R. Hall	NRC NRR Project Manager
K. S. Brooks	Sr. Physical Security Inspector, RIV/DRS/PSB
R. I. Treadway	NRC Senior Resident Inspector for PVNGS

Attachment

Summary Project Schedule

Attachment

Summary Project Schedule

Solar Light Standards and Protected Area Security Extension (PASE)	
Project Activity	Target Completion Date
Solar Light Standards	
Design Input Document Development	Complete
Final Design	March 19, 2010
Procurement	March 31, 2010
Planning and Implementation	May 7, 2010
Verification Testing and Turnover	June 30, 2010
PASE Facility	
Final PASE Design	April 2, 2010
Procurement of PASE Facility and Equipment	April 30, 2010
PASE Planning and Implementation	November 12, 2010
PASE Verification Testing and Turnover	December 17, 2010